

### Employer Contribution Rate Increasing July 1, 2008

Legislation effective July 1, 2008, will increase employer retirement contribution rates to 8.25% of retirement salary. This increase in employer contributions applies to the salary earned by all active members and re-employed retirees.

Member contributions remain at 7.75%, so the employer contribution increase will not impact employer payment models and the factors used to calculate retirement salary under Models 2 and 3.

### Tax Treatment of TFFR Contributions

Employers often question if TFFR contributions need to be reported on the W-2 form.

TFFR is a 401(a) defined benefit plan and its contributions are mandatory, not elective. Under all models, the amount of TFFR contributions withheld or paid by the district is not required on the W-2 form. However, if the district wishes to place this information on the W-2, it belongs in Box 14.



### Employer Summary Report

Enclosed is your Employer Summary Report for the quarter-ending December 31, 2007. Please review the information for accuracy and verify that any re-employed retirees are included. The retirees will appear with the active members in alphabetical order.

If you have retirees employed but have overlooked reporting them to TFFR, please contact Shelly or Durene to discuss steps to correct the oversight.

### 2007 Annual Financial Report Available

The Retirement and Investment Office Comprehensive Annual Financial Report (CAFR) may be viewed from our website, [www.nd.gov/rio](http://www.nd.gov/rio), or a copy may be requested by contacting the administrative office. This report is a complete review of the financial, investment, and actuarial conditions of the State Investment Board and the Teachers' Fund for Retirement.

## Report Card

The Report Card member newsletter is sent to all non-retired teachers twice a year. The newsletter provides a variety of retirement related information that we hope the membership and employers of TFFR find interesting and helpful.

Please pay particular attention to the following articles in the enclosed issue of the Report Card:

- 2007 Actuarial Results and Annual Report Summary
- Pre-retirement Seminar Registration for July 2008
- TFFR Member Handbook Available
- Service Purchase Cost to Increase (Including Employer Purchases)

## Employer Services

In an effort to provide services to help you make informed decisions, TFFR representatives are available to answer questions concerning the methods an employer may use to pay member retirement contributions. We can provide examples of how changing models could impact your district and teachers.

Since an employer payment plan must begin as of July 1 (retroactive to July 1 if negotiations are settled at a later date), it is important to receive and discuss the examples in a timely fashion. Since the model analysis worksheets take some time to complete, please contact us as soon as possible to allow ample time for your request to be processed.

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## Model Usage

Samples of each model can be found in the TFFR Employer Guide beginning on page 14.

